United Nations A/C.2/56/SR.3

General Assembly
Fifty-sixth session

Official Records

Distr.: General
23 October 2001
English
Original: French

Second Committee

Summary record of the 3rd meeting
Held at Headquarters, New York, on Monday, 1 October 2001, at 10 a.m.

Chairman: Mr. Seixas da Costa ..... (Portugal)

Contents

Election of officers

General debate

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

01-55767 (E)

The meeting was called to order at 10.30 a.m.

Election of officers

1. **The Chairman** informed the Committee that the Group of Asian States, the Group of Latin American and Caribbean States and the Group of African States had proposed, respectively, Mr. Dharmansjah Djumala (Indonesia), Mr. Garfield Barnwell (Guyana) and Mr. Felix Mbayu (Cameroon) for the three posts of Vice-Chairman. The Group of Western European and other States had proposed Ms. Jana Simonova (Czech Republic) for the post of Rapporteur.

2. **Mr. Dharmansjah Djumala** (Indonesia), **Mr. Garfield Barnwell** (Guyana) and **Mr. Felix Mbayu** (Cameroon) were elected Vice-Chairmen and **Ms. Jana Simonova** was elected Rapporteur by acclamation.

General debate

3. **Mr. Desai** (Under-Secretary-General for Economic and Social Affairs) said that the terrible events of 11 September 2001 had cast a shadow over the opening of the General Assembly and marked the Committee's first meetings and the ongoing plenary debate. The tragedy had already given rise to numerous reactions within the United Nations and, as the Secretary-General of the United Nations and the Mayor of New York, Mr. Giuliani, had emphasized, the best way of dealing with the situation was to go on with one's work.

4. The Committee would, in the course of its work, have before it a mid-point review of the world economy. It would thus have access to an update of the forecasts contained in the World Economic and Social Survey. As it happened, all the forecasts for the first half of 2001 had had to be modified in the second half, not only by the United Nations but also by the International Monetary Fund (IMF) and other organizations. There would also be two panel discussions on, respectively, the current state of the world economy and issues on the agenda of the Ministerial Conference of the World Trade Organization at Doha. The updated information and the two Panel discussions would provide Committee members with the views of high-level experts on the future of the world economy.

5. The new mid-point review had been prepared on the basis of data collected in August and early September, which revealed a much more clearly defined slowdown than had initially been foreseen. Even before the attack of 11 September, industrial output had declined, business sectors and consumers had lost some of their optimism, share prices had dropped, capital markets were declining and developing countries were receiving less private foreign investment. At that stage, it was difficult to assess the impact of recent events beyond their direct repercussions on the travel and tourism sectors and it was too early to say whether the economic slowdown would ultimately slide into a recession. In all events, world growth was receding: rather than the 2.4 per cent estimated in the Survey, it would be closer to 1.4 per cent in 2001 with a possible upswing to 2 per cent in 2002.

6. It was in that general context that a number of questions concerning the work of the Committee should be placed. The first topic was globalization, which was the subject of an agenda item and had given rise to a high-level discussion. In the first half of the 1990s and practically up to 1997, the globalization of trade and finance had been perceived as the driving force behind economic growth. It had been thought that the global merging of those sectors would expedite the growth of production and investment and would therefore have a positive influence, even taking into account a number of less favourable aspects, such as the marginalization of certain countries or the social or environmental risks of the process. However, the financial crisis of the period from 1997 to 1998, had given rise to a first round of questions. Despite the bleak forecasts the world economy had been able to extricate itself — although the countries affected directly by the crisis had, indeed, suffered considerably — and, as from 1999, growth had picked up. The cause of the rapid revival had precisely been globalization; since growth had remained strong in the United States and other industrialized countries, the positive effects of the stability had rapidly been felt in many of the crisis countries. Globalization had thus passed its first major test by proving that it had another important benefit: it could help extract countries rapidly from a crisis provided that the pillars of the system remained sound.

7. The current scenario was radically different, because there was beginning to be an awareness of the disadvantages of economic integration; indeed, if the strongest economy, on which growth depended,

experienced, in its turn, a downturn owing to globalization, the shock wave would spread throughout the rest of the world. Developing countries were the most affected because, whereas ten years earlier, they had represented about a quarter of world trade, they now represented one third. According to preliminary estimates, a 1 per cent decline in growth in the United States reduced the growth rate in developing countries by about 0.4 per cent. On the other hand, there was every reason to welcome a new phenomenon, the general awareness that increasing interdependence required better coordination of macroeconomic policies. Thus, in recent months, the major industrialized countries had simultaneously reduced their rates of interest. That was an important element, which should be taken into consideration during the International Conference on Financing for Development in Monterrey.

8. After considering the role played by globalization in the contraction or expansion of normal cycles of activity in developed and developing countries, one should be concerned about the risks of vulnerability deriving from structural causes rather than cyclical fluctuations. Among the factors that could weaken economies were those relating to finance and investment (the extent to which capital movements could respond to the needs of development countries and countries in transition, the problem of international liquidity, which could limit the options open to developing countries), international trade (the case of countries that were dependent on the sale of certain raw materials, protectionism based on considerations other than those of a commercial nature), natural disasters, and vulnerability arising from the change from one economic system to another (countries in transition).

9. The concerns aroused by globalization had resulted in the demonstrations that had accompanied recent major international meetings. Such concerns did not differ greatly from those that could be heard at the United Nations: the repercussions of globalization on the environment and society, the marginalization of countries that were unable to take advantage of it, and the need to pay more attention to the viewpoints of the poorest countries and civil society when taking decisions. More importantly, the demonstrators had underlined that the means of applying pressure available under the multilateral system were inadequate and that it was necessary to find ways to allow the most marginalized countries to express their point of view on everything related to the management of globalization, in particular agreements concluded in the areas of trade and finance.

10. Among the other questions submitted to the Second Committee for consideration were the preparations for the International Conference on Financing for Development, which were well advanced but which must now produce specific draft conclusions; the preparations for the World Summit on Sustainable Development (Johannesburg, 2002), which, following a very fruitful process at the regional level and at the level of civil society, should take on a more international dimension in consultation with all interested parties; the triennial review of operational activities for development, which should cover several new needs, such as the need to abandon the coordination of development assistance so that development could be better integrated into national efforts; the need to give less attention to reforming methods in order to concentrate more on the concrete results to be achieved; and the need to cease focusing work merely on national implementation, but rather to help countries to have full control of programmes. To that end, the United Nations should pay attention to a new and significant means of development cooperation, namely partnership, and improve coordination between its cooperation efforts and the complex set of initiatives implemented by the recipient countries themselves. With regard to the question of Africa, which would be addressed in plenary meeting, the Second Committee should begin to prepare for the review of the implementation of the new Agenda for the Development of Africa, consider the new Initiative for Africa launched at Lusaka and make a practice of integrating Africa's problems into all its work. Lastly, it would be responsible for the follow-up to the United Nations Conference on the Least Developed Countries, which was also closely linked to the question of Africa's development.

11. **Mr. Belinga Eboutou** (President of the Economic and Social Council) said that the Second Committee was pursuing its work in a world characterized by uncertainty and anxiety on all fronts, particularly on the economic front. Recent events had reminded the members of the international community not only of their interdependence but also of the need to strengthen cooperation and solidarity in order to ensure equity, security and peace in the world. That was the objective

that the Heads of State and Government had assigned themselves in the Millennium Declaration; hence the importance of the deliberations in the General Assembly and the Second Committee in order to implement the Declaration, now that it had become the main instrument of international political will with regard to peace, security and development.

12. The General Assembly had on numerous occasions reasserted the central role of the Economic and Social Council in maintaining a consistent approach to economic and social cooperation. The Council, as the main forum for the discussion of international economic and social issues and the formulation of general policy recommendations, was the guarantor of consistency in international economic and social cooperation, in both legislative and operational matters. For that reason, the Heads of State had requested that the Council should be strengthened so that it could perform efficiently the functions entrusted to it by the Charter and work towards the implementation of the Millennium Declaration. During the past year, the Council had already taken several steps in that direction.

13. The July 2001 session had been the Council's first substantive session since the adoption of the Millennium Declaration, which had provided the backdrop for its discussions. That was particularly evident with regard to the place the Council had given to the development of Africa, one of the priorities of the Declaration, in its high-level segment on "The role of the United Nations in supporting the efforts of African countries to achieve sustainable development". The Ministerial Declaration adopted following the debate had given the United Nations a first opportunity to take into consideration the New African Initiative adopted by the African Heads of State at the thirty-seventh summit meeting of the Organization of African Unity in Lusaka.

14. It was in that Initiative — a genuine reference document for African development — that Africans had recognized that the development of their continent devolved on them, but that if it was to be successful, the help and solidarity of the international community were indispensable.

15. The standard and quality of participation in the high-level segment had helped to make the Council an important lever of United Nations system support for that major African initiative. The General Assembly, and more particularly the Second Committee, which was responsible for starting the preparations for the special session that the General Assembly intended to devote to the topic, would reinforce the process initiated by the Economic and Social Council.

16. At the same session, in its coordination segment, the Economic and Social Council had continued its consideration of the question of information and communication technologies (ICT). In its agreed conclusions, the Council had given strong support to the recently established ICT task force and recognized the importance of partnership between the public and private sectors for achieving the objectives of the United Nations in that regard. It was gratifying that the President of the General Assembly had decided to give priority to the development of Africa and to information and communication technologies; that would ensure the consistency and the impact of decisions by the General Assembly and the Economic and Social Council and strengthen the role played by the United Nations in those fields.

17. The Council had also dealt with a number of other items which would be referred to the Second Committee at its current session. Firstly, in its operational activities segment, the Council had cleared the ground for the triennial review of operational activities for development and made some recommendations which should facilitate the adoption by consensus of a resolution on the new orientation of the operational activities of the United Nations. Secondly, in the humanitarian affairs segment, the Council had stressed the need to give priority to increasing resources for development, which should not decline to give place to humanitarian activities. Thirdly, in its general segment, the Council had shown its determination to coordinate the activities of the United Nations system so that development remained a matter of priority within the coordinated and integrated follow-up to major conferences and world summit meetings. Lastly, in its concern to contribute to the implementation of the Millennium Declaration, the Council had selected as the theme of its high-level segment in 2002 "The contribution of human resources development, including in the area of health and education, to the process of development" and had decided to consider the question of the continued reinforcement of the Economic and Social Council in its humanitarian affairs segment.

18. The 2001 session of the Economic and Social Council had thus confirmed the new vitality of the Council as a forum for dialogue in which all actors and interested parties were helping to build the partnership needed to ensure that development policy was planned and coordinated in an innovative way. The Council had further taken the initial steps along the road towards the implementation of the Millennium Declaration. The General Assembly and its Main Committees would be able to follow on from that in working towards a better world.

19. **Mr. Asadi** (Islamic Republic of Iran), speaking on behalf of the Group of 77 and China, said that economic growth had remained moderate since the end of 2000 and that there had been a significant decline in global output and trade led by a slowdown in economic activity in the developed countries. The sharp decline in the major equity markets in developed countries and financial problems in two major emerging markets had also adversely impacted the world economy. Furthermore, the terrorist attacks against the United States on 11 September 2001 would also have serious effects on the United States economy as well as on the global economy. The effects on the economies of developing countries were already discernible: declining commodity prices, reduced exports, stagnant capital inflows and tighter credit conditions. For the developing countries as a whole, the GDP growth rate was expected to drop from 5.7 per cent in 2000 to 4.1 per cent in 2001.

20. External financing conditions for the developing countries had not improved and the cost of their debt had increased over the past year. Financial flows to those countries had declined in 2000 and the terms and conditions of external financing continued to worsen. In addition, foreign direct investment had declined, and only a few developing countries benefited.

21. Nowhere was the impact of globalization more pronounced than in the area of development policies. Recent developments in the international monetary, financial and trade sectors clearly indicated how the economies of the developing countries were affected and how interdependence had become a fact of life. However, it was important for globalization to be seen as an interactive process and the result of policy choices and decisions, and as a process that must be harnessed and directed. Cooperation was an absolute necessity, especially between countries of the North and the South, in order to utilize the tremendous potential of the process for development by strengthening interdependence and multilateralism. The international community, and the United Nations in particular, should endeavour to make optimal use of the ongoing multilateral processes and upcoming major events in order to build a stronger partnership in the service of development.

22. External debt was another major challenge for most developing countries. Uganda was the only country to have reached the completion point under the HIPC initiative and thus was entitled to enjoy its full benefits. While the Group of 77 and China welcomed the launch of a floating completion point in the enhanced HIPC initiative and the commitment of an increasing number of creditor countries to cancel bilateral debt, it believed that the initiative should also be extended to low-income countries. Resources provided to that initiative should not be at the expense of other official development assistance flows, and new financing for HIPC countries should be in the form of grants or on highly concessional terms. The private debt of middle-income developing countries had increased in recent years, even though their total debt volume had remained virtually the same. There was therefore a growing consensus in the international community that private creditors should participate in the resolution of the debt crisis of emerging markets in order to allow them to restructure their debt. The decline in global official development assistance flows was of concern for developing countries, as these flows played an important role in the financing of their development activities.

23. The International Conference on Financing for Development, to be held in Monterrey, Mexico, was the most important multilateral process ahead for the international community and should have a significant impact on the major issues relating to development. The Conference should provide an environment conducive to a new international consensus on common goals for financing for development. It should address such major themes as the mobilization of resources, trade, financial flows and external debt, in addition to the reform of the international financial architecture. Moreover, the Conference must have a real and substantive final outcome.

24. The Group of 77 and China stressed the need for an equitable, secure, non-discriminatory and predictable multilateral trading system, which would enhance the development opportunities of the

developing countries and increase their participation in international trade. Trade was critical to development through its impact on growth, which was fundamental in overcoming poverty and vulnerability. The liberalization of international trade under the World Trade Organization (WTO) rules was a powerful and dynamic force for accelerating growth and development. The Group was, however, concerned that the benefits of the existing multilateral trading system continued to elude most developing countries. Progress towards full liberalization in certain sectors essential to those countries was lagging, and significant imbalances remained in multilateral trade agreements and in conditions of market access. The persistence of those anomalies could erode the confidence of the developing countries in the multilateral trading system and strengthen the influence of those who wished to retreat into misguided protectionist policies and approaches. It was therefore essential to restore confidence in the multilateral trading system through the full participation of developing countries and the full implementation of the Uruguay Round agreements. It was also important to ensure transparency and to avoid placing issues on the agenda of the World Trade Organization that were not trade-related. The Fourth Ministerial Conference of WTO, to be held in Doha, Qatar, should make significant progress in that regard.

25. The Programme of Action for the Least Developed Countries for the Decade 2001-2010, adopted at Brussels, contained a wide range of measures, in various areas, that seemed quite achievable. The problem was due not to a lack of measures and decisions, but to a lack of follow-up and implementation. The goal of halving poverty by 2015 could not be attained without full implementation of the commitments undertaken at the Third United Nations Conference on the Least Developed Countries, particularly in the areas of trade and mobilization of financial resources. The Group of 77 stood ready to advance the objectives of the Programme of Action with a view to accelerating growth, development and the eradication of poverty in the least developed countries and to work in partnership with all stakeholders within the framework of South-South cooperation to contribute to the implementation of the Programme of Action. In that connection, it must be emphasized that new resources would be needed and the Group of 77 and China called on the developed countries and on the United Nations system and other multilateral organizations to live up to their commitments.

26. The Group of 77 and China attached great importance to the World Summit on Sustainable Development and its preparatory process. The Summit should provide a unique and exceptional opportunity for the international community to undertake a comprehensive assessment of achievements, constraints and shortcomings in the implementation of Agenda 21, a decade after the United Nations Conference on Environment and Development. The Summit should aim at the removal of obstacles to the implementation of the commitments undertaken at Rio and, in particular, provide the developing countries with adequate financial and technological support. It should result in concrete measures with a specific timetable for their implementation and the principle of common but differentiated responsibilities should continue to be the guiding principle for its deliberations.

27. Within the framework of the preparatory process for the World Summit on Sustainable Development, the Group of 77 had been deeply engaged in the ongoing discussions on international environmental governance. In its view, the proper, overall context for international environmental governance was sustainable development. It was only within that broad conceptual framework that the delicate balance between the three pillars of sustainable development could be ensured. While it was necessary to strengthen the United Nations Environment Programme (UNEP), the Commission on Sustainable Development, which was a unique forum for high-level policy dialogue on sustainable development, should also be strengthened. Moreover, the views of other agencies and institutions could also help to enrich the ongoing discussions on international environmental governance and to contribute to the final outcome of the process. It was also incumbent upon the Conference of the Parties to the United Nations Framework Convention on Climate Change, which was due to be held in Marrakech, Morocco, to consolidate the gains achieved at Bonn and to persevere in their commitment, maintain their dynamism and translate the political agreement into solid legal language. On the subject of the environment and sustainable development, the Group of 77 and China were indeed pleased with the adoption at the first substantive session of the United Nations Forum on Forests of a multi-year programme of work and a

plan of action. They also wished to emphasize the necessity of providing the United Nations Convention to Combat Desertification with adequate, predictable and stable financial resources. In that connection, they welcomed the recent decision of the Global Environment Facility (GEF) to finance projects aimed at combating land desertification and believed that the Facility should become the standing financial mechanism of the Convention. They believed, further, that the global mechanism should make every effort to fulfil its role as defined in the Convention, which was the mobilization of financial resources, and that it was necessary to establish a body to monitor the implementation of the Convention on a regular basis.

28. The overall environment for United Nations development cooperation activities had changed substantially in recent years, to a large extent as a result of the globalization process. In that new environment, the needs of programme countries had changed and increased, while official development assistance had declined or been stagnant. The Group of 77 and China believed that poverty eradication should continue to be the main pillar of operational activities and that the United Nations system could play a key role in the design and implementation of relevant programmes and projects for achieving that major objective. Funding for those activities should be sufficient, secure and stable, be provided on a predictable, continuous and assured basis and be commensurate with the increasing needs of developing countries. Lastly, programme countries should participate fully in all stages of the design, implementation, monitoring and evaluation of development programmes and projects.

29. **Mr. De Ruyt** (Belgium), speaking on behalf of the European Union, the associated countries Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia, and, in addition, Turkey, said that the fundamental values of the United Nations had been subjected to a cowardly attack, there in New York itself. In the space of a few seconds, on 11 September 2001, the international community had come face to face with horror. Globalization with a human face, as it was advocated in its basic meaning of a community of values, tolerance and respect for life, had suffered an unacceptable attack. There was worldwide indignation. The sorrow, disgust and horror felt since 11 September were shared by a community of democratic countries fully supported by the European Union. Those appalling acts were an attack not only on the United States but on humanity as a whole and on the values and freedoms common to all humanity. The European Union wished to express its unlimited solidarity with the wounded country and would join in acting together against the scourge of terrorism and fanaticism.

30. All international organizations, and particularly the United Nations, must take part in the fight against that new form of terrorism. Chronic underdevelopment and poverty were sometimes a breeding ground for extremism. Constant poverty, a deficient education system and an oppressive political climate could give rise to fanaticism. By pursuing its work on sustainable development, the Committee could contribute indirectly to restoring the values of freedom and tolerance which were intrinsic to globalization with a human face.

31. Exactly one year previously, the heads of State had come together in support of a long-term project, humanizing that globalization by 2015. At the Millennium Summit, the international community had unequivocally reaffirmed its commitment to the universal aims of the United Nations and to development goals in general. In a chapter of the Millennium Declaration on development and poverty eradication, Member States had approved an action plan and precise goals. The Declaration should serve as a guide for the Committee's activities during the current year and in years to come.

32. The essential message of the Millennium Summit might be seen as an awareness at the highest level of the intolerable character of extreme poverty, which was defined not only by a lack of income and financial resources, but also by the notions of vulnerability and helplessness. Bad governance, corruption and squandering of resources took a heavy toll among the poor, who were vulnerable to natural disasters and who lacked schools, health care and jobs. Poverty reduction strategies should therefore include all those dimensions, focusing as a priority on the consolidation of the democratic process, peace and conflict-prevention and strengthening government institutions, particularly the economic, financial, legal and public administration infrastructures. Issues such as respect for human rights or equality between men and women contributed powerfully to the emergence of a stable environment favourable to the promotion of human development. The European Union would reflect that

multifaceted and integrated vision of the fight against poverty when the Committee came to discuss globalization and interdependence. For the European Union, good governance was primarily national; of course, that did not exclude open debate on its international implications.

33. In the Millennium Declaration, the European Union reaffirmed its commitment to an open, equitable, predictable and non-discriminatory multilateral trading system. That concern would be reflected both in the preparatory process for the International Conference on Financing for Development and in resolutions relating to trade and to the financial infrastructure. The European Union stressed the importance that it attached to the need for consistency in the international system, particularly between the United Nations and the Bretton Woods institutions, as well as with regional organizations and the United Nations regional commissions. It also hoped that the fourth World Trade Organization (WTO) Ministerial Conference in Doha, Qatar, would see the launch of a new round of multilateral negotiations in which the development dimension would be fully taken into account.

34. The European Union was aware of the urgent need to finance the commitments made at the Millennium Summit. It believed that that financing would be primarily domestic, both public and private. However, it recognized the irreplaceable character of official development assistance (ODA), particularly for the least developed countries. The European Union provided more than half of all ODA and financed half of all United Nations operational development activities. He reiterated the need to intensify efforts to achieve the ODA goal of 0.7 per cent of gross domestic product (GDP) for all donor countries and recognized that that meant reversing the declining ODA trend worldwide. He urged partners able to do so to participate in that global act of solidarity.

35. With a view to mobilizing resources, the European Union would make every effort to ensure the success of the preparatory work for the International Conference on Financing for Development. The Preparatory Committee would meet as from 15 October 2001, and the subjects to be discussed there were also on the Committee s agenda. It was essential to ensure the greatest possible consistency between those two processes in order to avoid contradictions. The European Union considered that the Monterrey Conference should lead to improved mobilization of national and international resources and greater policy consistency in order to achieve the aims of sustainable development. It should also ensure more effective cooperation between all players in the development field in the form of a true partnership between Governments, the United Nations, the Bretton Woods institutions, other international organizations, the private sector and civil society as a whole. In that context, a debate on global public goods must also be launched. The European Union was ready to examine their importance and role at the Conference.

36. As in the Millennium Declaration, the European Union reaffirmed that the first priority must be the problems of Africa and of the least developed countries. It was the largest trading partner of those countries and had committed itself to opening its markets to all their products with the exception of weapons. It was the largest ODA donor to those countries and would attempt to increase the effectiveness of that aid.

37. He reaffirmed the importance that the European Union attached to implementation of the action programme of the United Nations Conference on the Least Developed Countries at the national and regional levels. The European Union was counting on the effective participation of all United Nations organizations in implementing the commitments that had been made. It was essential to continue the debate on ways of following-up to the Conference that had started in Brussels. The European Union remained in favour of a form of follow-up that would raise the political profile of the least developed countries and was ready to endorse their request for the appointment of a high-level representative of the Secretary-General. Follow-up to the Conference on the Least Developed Countries should also be included in the agenda for the Economic and Social Council on a regular basis.

38. At the Millennium Summit, the heads of States had reaffirmed that the enhanced programme of debt relief for the heavily indebted poor countries remained an essential element of the fight against poverty. In the current year, the accelerated implementation of that initiative had enabled 23 beneficiary countries to commit newly freed resources to financing education and health. The European Union once again called on the countries concerned to take the necessary political and economic steps to become fully part of that process. It also called on creditor countries to share the burden of financing the programme in an equitable

fashion. The mobilization of additional resources should not be to the detriment of other channels for development aid.

39. The Second Committee should contribute to the eventual realization of the quantifiable goals set at the Millennium Summit. Besides poverty reduction, the international community had given specific commitments to ensure that by 2015 boys and girls would have equal access to primary schooling and had also resolved to reduce maternal mortality by three quarters, to reduce child mortality by two thirds, to restrict the spread of HIV/AIDS, malaria and tuberculosis, and to improve the conditions of 100 million urban poor by 2020. The European Union considered the issue of gender equality to be an essential dimension of sustainable development. A number of resolutions on those issues would be adopted by the United Nations. The European Union wished to express its determination to maintain political momentum on the subject of children in connection with negotiations on the final document of the special session of the General Assembly on the follow-up to the World Summit for Children. That session had been postponed for reasons that were well known. The European Union would maintain its priorities on the fundamental questions raised in that document, namely, an approach in accordance with the rights of the child, and the upholding of the results of conferences concerning reproductive health.

40. The operational activities of the United Nations had an important role to play in achieving development goals. The European Union would work on the triennial review of operational activities with recipient Governments and other development partners. Exchanges of views during the latest operational activities segment of the Economic and Social Council had revealed a wide consensus on the key concepts for those activities. The European Union was also confident that that consensus would make it possible to reach a new stage in the development of a more effective and better-performing United Nations operational system, in particular through a greater synergy between funds and programmes. Those funds and programmes, together with the specialized agencies and the international financial institutions, would have a fundamental role to play. Their already close cooperation in the context of common country assessments, the United Nations Development Assistance Framework and poverty reduction strategy papers should be intensified and their procedures harmonized where appropriate. The European Union welcomed the new Initiative for Africa which, like the poverty reduction strategy papers, was based on the principles of ownership and coherence between donors and international organizations.

41. The Second Committee would be examining the report of the Economic and Social Council. On that occasion, the European Union hoped to highlight the conclusions of the Council's summer session inasmuch as they had a clear link with the discussions that would take place in the Committee. In particular, the Union hoped to reaffirm the importance that it attached to the process of following up conferences. The Economic and Social Council was responsible for regularly assessing and coordinating the application of and the follow-up to the action programmes of the major United Nations conferences. The European Union was convinced that the major conferences should no longer give rise to mechanical or ritual follow-up exercises. The negotiated results should preferably be more concise and operational. The Union welcomed the Council's decision to carry out a serious examination of its working methods during the coordination segment in 2002. That reform responded to the wish expressed by Member States at the Millennium Summit: to reinforce the Council so that it was able to fulfil its mandate of coordinating the system in the economic and social field.

42. The Millennium Declaration also pointed out that the current unsustainable ways of consuming and producing must be changed in the interests of the well-being of the present and future generations. It included a number of commitments concerning, in particular, the implementation of the Convention on Biodiversity and the Convention to Combat Desertification; the management, conservation and sustainable development of forests; the entry into force of the Kyoto Protocol; the cessation of the unsustainable exploitation of water resources; and the intensification of cooperation to reduce the number and effects of natural and man-made disasters.

43. The European Union attached the greatest importance to the success of the World Summit on Sustainable Development to be held in Johannesburg, the strengthening of global environmental governance, the entry into force of the Kyoto Protocol to the United Nations Framework Convention on Climate Change and the actions of the Intergovernmental Forum on

Forests. The Johannesburg Summit, in particular, should make concrete commitments. It could reaffirm international development goals and the goals set in the Millennium Declaration and adopt measures to ensure their consistent implementation. It was important that the Summit should address the economic, social and environmental dimensions of sustainable development in a balanced and mutually beneficial manner. It could make the eradication of poverty and the promotion of sustainable methods of production and consumption its principal goals. The concern for gender equality should be taken into account in all the preparations. Specific initiatives could also be taken in areas such as fresh water, energy, soil degradation and biodiversity. In that regard, the Union had identified the possible main themes for the Summit, which might serve as a preliminary basis for discussion in the future: protection of the natural resources that were the base of economic and social development; integration of the environment and poverty eradication; making globalization serve sustainable development; and improving governance and participation. With regard to the environment, the General Assembly had a role to play by encouraging and promoting coordination and consistency, but it should not prejudge the various processes under way. It must, however, be kept informed about the regional preparatory processes for the Johannesburg Summit and about the process launched by the Global Ministerial Environment Forum.

44. The Secretary-General of the United Nations had for several years presented himself as an advocate of partnership with civil society and, in particular, the private sector. The European Union also believed that the support of the world of business could usefully serve development and the values upheld by the United Nations. It could also be a source of efficiency and progress on the road to a more equitable sharing of the fruits of globalization. The resolution on global partnerships to be discussed in plenary would have a direct impact on the Committee's work.

45. He reiterated the Union's desire that work should be organized in a transparent and efficient manner in keeping with the rules of procedure. Given the very special nature of the proceedings at the current session, some flexibility would need to be shown, but the Union would press for adhering to the procedures for the submission of draft resolutions, particularly with regard to deadlines.

46. **Mr. Benmehidi** (Algeria) said that his country, which for the past 10 years had endured the violence and barbarity of terrorism, strongly condemned the terrorist attacks against the host country and assured the American people of his delegation's sympathy and solidarity. He expressed his condolences to the United States delegation.

47. He associated his delegation with the statement made by the representative of Iran on behalf of the Group of 77 and China. It was no accident that the second high-level dialogue on strengthening international economic cooperation for development through partnership, which had just concluded, had emphasized the need to integrate the developing countries into the globalized economy and to adapt measures to combat poverty and pandemics to the agreed goals. Since globalization seemed to be the irreversible new economic order, the international community should ensure that all of humanity could benefit from its advantages. Accordingly globalization should be seen as the natural outcome of development in all its dimensions. The fight against poverty was a priority which called for unreserved will and determination on the part of the international community. Admirable as the efforts of the international community undoubtedly were, they fell short of the need and there was still a striking imbalance between responsibilities and resources.

48. That being so, the work of the current session should contribute to the success of the next two events on the calendar, the International Conference on Financing for Development, to be held in Monterrey, Mexico, in 2002, and the World Summit on Sustainable Development, to be held in South Africa in 2002. His delegation strongly believed that limited resources contributed an obstacle to development and it therefore considered the Monterrey conference to be a unique opportunity to develop appropriate and effective mechanisms to overcome underdevelopment and poverty, reduce the North-South divide and set the developing countries on the path of sustainable growth and development. The countries of the South were suffering the consequences of foreign debt, the fall in official development assistance, the weakness of direct foreign investment, the drop in prices of raw materials and their limited participation in world trade. The World Summit on Sustainable Development gave the international community a chance to take stock of the situation as it had developed since 1992, renew the

commitments made in that year and examine every aspect of sustainable development.

49. His delegation considered that the New African Initiative launched by Algeria, South Africa and Nigeria, which aimed to stimulate growth in Africa, should be adopted by all developing countries. The Initiative, which laid particular emphasis on national efforts, underpinned by foreign aid, aimed to phase out the developing countries' reliance on such aid.

50. Following the recognition by the United Nations that health was a decisive factor in development, he welcomed the establishment of a global fund on AIDS and health. He also welcomed the work of the Commission on Science and Technology for Development Working Group on Information and Communication Technologies.

51. Lastly, he expressed concern that resources were diminishing even as many new needs became apparent. Stable and secure financing must be provided for United Nations operational activities. Also, to ensure the success of programmes, they should be controlled and led by their beneficiaries, who should be associated with them at every stage.

52. **Mr. Shamshad Ahman** (Pakistan) said that globalization, a source of prosperity for some, and a cause of impoverishment for others, was a highly controversial issue. Aware of the problem, in 2000, world leaders launched an appeal for globalization to become a positive force, beneficial to all, in order to create a new world free from poverty. The Millennium Declaration had indicated the path to follow and identified development goals. When the world leaders were making those commitments, the economic results were at their best in the last 15 years; thus, the targets were achievable and the hopes of attaining them were realistic. Since then two important events had changed the global economic scene: the downturn in world economic growth and the terrorist attacks of 11 September 2001, which would profoundly affect the economy of the United States and have ripple effects on the economies of other countries. Those two events had far-reaching implications for the efforts to attain the goals of the Millennium Declaration and would worsen the economic situation in the developing countries which had already been weakened by the negative impact of globalization. The economic slowdown was foreseeable, because it was evident that rapid economic growth in a handful of countries was not sustainable in the general climate of poverty and underdevelopment that reigned throughout the world. However, world leaders, if they had the will, could make sure that globalization benefited everyone.

53. The Pakistani delegation considered that economic asymmetries could not be corrected unless all the stakeholders committed themselves fully, through cooperation. It was clear that the International Conference on Financing for Development provided a unique opportunity to harmonize sustainable development policies. Despite the critical role of official development assistance (ODA), it continued to decline; direct foreign investment had not produced the desired effect. It was therefore necessary to establish partnership mechanisms between the public and private sectors and stabilize private sector financial flows to developing countries.

54. His delegation recalled that the economic situation of developing countries was weakened by their debt burden, and reiterated that the proposal to divert the money intended to service the debt to the social development budget merited serious consideration. Since decisions taken by the Bretton Woods institutions had an impact in all countries, he called upon them to act transparently and be more sympathetic towards development goals.

55. In order for the advantages of trade liberalization to benefit everyone, the developed countries should eliminate the trade barriers they impose on products from developing countries. In that respect, his delegation considered that only a constructive and benevolent approach by the participants would ensure the desired results at the upcoming meeting of the World Trade Organization at Doha.

56. In view of the immense challenges of sustainable development, the delegation of Pakistan urged Member States to implement an integrated approach, based on the principle of shared responsibilities; he expressed the hope that the World Summit on Sustainable Development would be a decisive step in that direction. The United Nations had a meaningful role to play in addressing the harmful effects of globalization and should be given the means necessary to do so.

57. **Mr. Davison** (United States) said that, in a rather gloomy global economic environment, it was necessary to focus on the essential issues of economic growth and development. Since investment and financial assistance flows were declining, it was increasingly necessary to

make the best use of available resources. The new round of multilateral trade negotiations would expand the possibility of developing global trade and investment and thus serve as an engine for growth and poverty alleviation. To that end, the United States was collaborating with its partners with a view to launching a new round of World Trade Organization negotiations in November 2001 at Doha (Qatar). Discussions on agriculture and services were critical for the least developed countries of Africa in which those two sectors played a key economic role.

58. The discussion on development should focus on the results of development efforts. Macro-economic stability and the opening of the economy were factors that had proved essential for sustainable development growth, but, in themselves, they were clearly not sufficient. It was therefore the role of the International Conference on Financing for Development to provide developing countries with realistic advice enabling them to reformulate domestic policies and review regulatory constraints that were currently hampering the growth of the private sector and discouraging foreign investment. It was necessary to ensure the participation of everyone in the political and productive economic activity of beneficiary countries and give more attention to the quality of governance. Indeed, divisions had consequences that transcended borders and violence was the antithesis of development. The countries enmeshed in armed conflict were those least able to meet the basic human needs of their populations. The United States remained firmly committed to taking bilateral and multilateral measures aimed at supporting developing countries in their efforts to raise the standard of living of their citizens.

59. With regard to bilateral assistance, he pointed out that the United States, through the Agency for International Development's Global Development Alliance, has engaged in initiatives designed to address development challenges around the world. As part of the implementation of the African Growth and Opportunity Act, a forum for trade and economic cooperation had been created to discuss measures that the United States and African nations could take together to stimulate economic growth and trade, and to enhance democracy and economic and political governance, all key ingredients in any programme to alleviate poverty in Africa.

60. The United States continued to work closely with international organizations on measures to help the poorest countries derive greater benefit from participation in the world economy. Along with the International Monetary Fund and the World Bank, it was a full partner in the enhanced programme of debt relief for the heavily indebted poor countries. It wanted to help the poorest countries meet their basic needs without going more deeply into debt.

61. Within the United Nations system, it was the United States that contributed the most to the United Nations Children's Fund (UNICEF), to humanitarian assistance and to peacekeeping operations. Its support for the United Nations Development Programme (UNDP) was also extensive.

62. His Government was determined to pursue sustainable development efforts, but believed that the solution to the problem lay in national efforts, not aid programmes. Thus, the International Conference on Financing for Development would prove useless if it focused on international action, when the key to development was to be found at the national level.

63. **Mr. Ragab** (Egypt) said that the eradication of poverty and the achievement of sustainable development for all was the responsibility of both North and South. What was needed was the establishment of a partnership based on international solidarity and the principles and objectives of the Charter of the United Nations and the Millennium Declaration. The problems created by globalization could provoke a genuine crisis of confidence among the world's people as they saw poverty worsening, income unequally distributed within and among countries and international financial and commercial markets prey to instability at a time when the international community had never had such economic and technological means at its disposal.

64. Globalization was not a question simply of markets; it affected the well-being and the future of peoples. It was therefore necessary to agree on ways of coming to terms with it by maximizing the benefits it offered and dealing with its negative aspects. The reproach was heard that globalization served the interests of the multinational corporations and widened the gap between rich and poor. Its defenders argued that globalization per se was not responsible for the accompanying advantages and disadvantages, which instead stemmed from the nature of the policies

pursued nationally and internationally; and that the democratic nations respectful of human rights were the ones in a position to derive benefit from globalization. In actual fact, economic and social rights had to go hand in hand with political rights, and if the developing countries were not well placed to benefit from globalization, that was mainly because of the structural shortcomings of the international economic order. For instance, Africa, which aimed to reduce by half the number of its poor by the year 2015, had to achieve at least a 7-per-cent growth rate in order to do so; but that would be possible only if, in conjunction with the reforms carried out by the African countries, the developed countries opened their markets to African exports and gave them the promised official development assistance, and if they applied a radical, definitive solution to the question of indebtedness that went beyond what was envisaged under the heavily indebted poor countries initiative.

65. Past experience had shown that integration into the world economy was not enough to achieve development: international institutions had to be made more effective and public affairs have to be managed better nationally, but also internationally. Hence the need to make the decision-making process more democratic in international institutions, starting with the United Nations.

66. The moral, humanitarian and political responsibility for bringing about development fell to the countries of both the North and the South. Development was the fastest route to assuring the well-being of all and ensuring international peace and security. It was therefore urgent to harmonize the policy pursued by the United Nations with that being applied by the Bretton Woods institutions and WTO; otherwise, the efforts made by the international community would have no impact and the goals set by the United Nations conferences could not be achieved.

67. Many United Nations resolutions dealing with the world economy were not applied in practice, and that was unacceptable. Such a situation posed a grave threat to multilateral international cooperation, especially when the resources available to the United Nations to promote development were dwindling, as evidenced by the sharp decline in UNDP resources.

68. The goal of sustainable development for all required that a solution be found to the debt problem of the developing countries, the liberalization of the trade polices of the industrialized countries be encouraged, especially in sectors of interest to the countries of the South such as agriculture and textiles, the prices for raw materials stabilized, development assistance increased and the transfer of technology promoted, so as to reduce the growing gap between North and South which was the greatest threat to the developing countries. Egypt attached great importance to the International Conference on Financing for Development to be held in Mexico in March 2002, and hoped that the participants would be successful in finding the sources of funding needed for the development of third-world countries and in instituting a new international order of financing for development that would be highly realistic and take into account the situation of the developing countries. It hoped that the Fourth Ministerial Meeting of the World Trade Organization to be held in Qatar would help to inaugurate a fairer international trade system by fully applying the Uruguay Round agreements, particularly as regarded opening the door to exports from the developing countries.

69. His delegation was following with interest the preparations for the World Summit on Sustainable Development, believing that it would mark a turning point by allowing priorities to be re-examined at all levels with a view to achieving sustainable development in its three dimensions — economic, social and environmental. It was important to reaffirm the principle of the developing and industrialized countries having shared and distinct responsibilities. It was to be hoped that the Summit would not spread itself too thinly and would address a limited number of issues in depth, giving emphasis to the specific measures to be adopted and the financing required to that end. His delegation also hoped that the resources of the Global Environment Facility would be increased so that it would be in a better position to assist developing countries in carrying out environmental protection projects, especially those involving the fight against desertification. Moreover, it was important to support UNEP, not by making it a global environmental organization, but by following up commitments made in the past while endeavouring to strengthen the foundations of environmental activities within the United Nations, especially by defining more clearly the programme of work of the Commission on Sustainable Development in the light of the lessons learned.

70. **Mr. Lavrov** (Russian Federation) said that the tragic events of 11 September 2001 in New York and Washington highlighted the acuteness of the global problems raised by international terrorism, which presented not only a political and legal challenge but also a social and economic one that could significantly hinder the sustainable development of States. In addition to the loss of life and physical damage, international terrorism led to political instability, which was inimical to harmonious development of States, and made it necessary to devote huge human and financial resources to combating that scourge and eliminating its consequences. Because of its close links to organized crime, especially drug trafficking, terrorism undermined sustainable development.

71. The past year had shown that the United Nations could make an exceptional contribution to coordinating the efforts of the international community to solve problems relating to sustainable development in the context of globalization. The United Nations was playing a leading role in the mobilization of international cooperation, particularly in such areas as information and communication technologies, combating HIV/AIDS and providing assistance to the least developed countries and Africa. With regard to globalization, there was a need for a unified strategy, encompassing both the United Nations system and other international organizations, such as the Bretton Woods institutions and WTO, as well as reputably partners from civil society.

72. Globalization significantly increased the role of international trade as one of the main sources of funds for sustainable development, and it was therefore essential that terms of access to world markets for goods and services should be stable, predictable and non-discriminatory. The unjustified use for protectionist purposes of anti-dumping mechanisms and attempts to arbitrarily apply international standards with a view to limiting the natural advantages of exporters from developing countries with economies and countries in transition were of particular concern.

73. There was a need to strengthen the universality of the multilateral trading system by expanding the membership of WTO; however, the terms of admission for new States should not exceed the level of obligations of the existing members. In order to make effective use of the potential of globalization, the international financial system must be stabilized, and that called for efforts to protect and prevent financial crises and to strengthen the infrastructure of national financial and banking sectors.

74. From that perspective, the forthcoming International Conference on Financing for Development was called upon to work out an international consensus, with the participation of the United Nations, the Bretton Woods institutions and WTO, aimed at creating a favourable external and international environment for increasing the flow of financial resources to the developing countries and countries with economies in transition.

75. Globalization, however, aggravated the debt problem, especially for the poorest countries. His country, as one of the largest creditors of that group of countries, was making a significant contribution to the implementation of the IMF and World Bank Highly Indebted Poor Countries Debt Initiative (HIPC), and the Russian-owned part of the debt of those countries would be reduced by about $28 billion. That would make his country the leader among the G-8 countries in terms of the implementation of the Initiative relative to its GNP. At the same time, his country was itself highly indebted, and the servicing of its foreign debt impeded the achievement of its social and economic goals. Its partners for international financial and economic cooperation should take that into account.

76. His country had been one of the first among the G-8 countries to abolish customs duties on imports from the least developed countries, which would make a tangible contribution to the implementation of the relevant provisions of the Millennium Declaration, the decisions of the Genoa Summit (A/56/222-S/2001/736), and the Brussels Declaration of the Third United Nations Conference on Least Developed Countries.

77. A decade had elapsed since the Rio Conference, and while much had been done to ensure sustainable development, the issue was no less urgent than before. The World Summit on Sustainable Development to be held in Johannesburg in 2002 should open up good prospects for a joint search for ways to resolve issues relating to sustainable development; it was important, however, to ensure that multilateral negotiations were based on a comprehensive and rational approach, one that enhanced complementarity and synergy. His delegation was participating actively in the work of the Preparatory Committee for the Summit and in the preparatory process launched at the regional and

subregional levels, it had established a national preparatory committee to coordinate such work.

78. The implementation of the Kyoto Protocol to the United Nations Framework Convention on Climate Change was encountering difficulties; the conference in Bonn had yielded generally satisfactory results as far as his delegation was concerned, but it was important to ensure the official adoption of the entire set of documents at the Conference of the Parties, which should make it possible to proceed to the practical implementation of the Protocol. Those documents should adequately reflect specific interests of the countries with economies in transition; that was essential to the prospects for his country's ratification of the Kyoto Protocol.

79. The President of the Russian Federation, Vladimir Putin, had taken the initiative to convene a global conference on climate change in Moscow in 2003, and the idea had been endorsed at the Genoa Summit. The conference was closely related to the Kyoto process.

80. His delegation supported the efforts to strengthen the operational activities of the United Nations, which meant, first of all, the financial basis of such activities must be as predictable and stable as possible, while preserving the voluntary nature of contributions and observing the principle of universality. The reduction in financial resources provided to the United Nations for development should not be used to justify a departure from those principles. There was a need to strengthen cooperation between the United Nations operational system and the Bretton Woods institutions, particularly at the country level. Those institutions were actively involved in the common country assessment process and the implementation of the United Nations Development Assistance Framework: that was a promising area of cooperation.

81. The Russian Federation supported the ideas of the Secretary-General concerning the strengthening of cooperation with the private sector: a broad framework should be elaborated to that end. A round table with the participation of representatives of Russian business circles and heads of a number of United Nations agencies would be held in Moscow in November with a view to developing mutually beneficial cooperation between Russian companies and the United Nations, and identifying opportunities for their participation in the Global Compact.

82. As for the economic situation in the Russian Federation, for the first time in more than 30 years, the gross domestic product had risen by 8.3 per cent and was expected to rise by 5 or 6 per cent in 2001. For the first time, the State budget showed a surplus and the Russian Federation was paying its foreign debts. Tax reform was well under way. Its income tax rate was the lowest in Europe (13 per cent) and the corporate tax rate was modest (up to 24 per cent). Efforts were being made to ensure the financial transparency of enterprises, combat money laundering, elaborate a set of laws to free the economy of bureaucracy and fight corruption. Thus, the Russian economy was steadily recovering; that, combined with internal stability, a huge internal market and tremendous intellectual and economic potential made the Russian Federation a very attractive partner.

83. **Mr. Motomura** (Japan) noted the importance of the International Conference on Financing for Development, to be held in March 2002. One of its major goals would be to contribute to achieving peace and prosperity in the twenty-first century. Since interdependence was a salient feature of the current economy, world prosperity was not possible without the economic development of developing countries. The world economy was becoming less vigorous, however, and the International Conference would be an opportune time to examine ways and means of mobilizing and utilizing resources for development. It would provide an opportunity to consider national, international and systemic issues in a holistic manner with the participation of a wide range of stakeholders, with an overall view to, inter alia, halving the proportion of people living in poverty by 2015.

84. It was important for the Conference to seek practical ways and means of mobilizing and utilizing resources for development. It should therefore consider proposals from the viewpoint of their effectiveness and feasibility. Unfortunately, a consensus had not yet been reached on ways of mobilizing and utilizing such resources. During the meetings of the Preparatory Committee, many delegations had been of the same view with regard to the importance of human resource development. In order to promote domestic savings, attract foreign investment, increase trade revenue, manage external debt and make the most effective use of official development assistance, developing countries needed to have essential human resources and, therefore, to train experts in those fields. His

Government believed that the Conference should make human resources one of its major themes. The time remaining before the Conference must be used wisely, and Japan hoped that differences of opinion could be overcome through dialogue.

85. The Prime Minister of Japan, Mr. Koizumi, had implemented an important structural reform programme. In a speech before the Japanese Diet, he had stated that "[the Japanese] nation had a responsibility to the world to revitalize [its] economy". To that end, convinced that without drastic structural reform, there could be no recovery of the Japanese economy, his Government had resolutely embarked on the path of structural reform, which would leave no part of Japan's social and economic structure untouched.

86. That would involve, in particular, disposing, for once and for all, of non-performing loans which inflated bank balance sheets, creating a more competitive economic system and revamping the tax system. While that policy could affect official development assistance provided by Japan, his Government would continue to attach great importance to such assistance, which was a major contribution to the international community. It was well aware of the need to minimize any impact of such structural reform on the economies of the developing countries. Since the early 1990s, the Japanese economy had been suffering from a complex illness resulting from the confluence of various problems. If it recovered its vigour through structural reform, Japan would be able to contribute more actively to the development of developing countries through increased imports and investment. The Japanese economy, which represented approximately 14 per cent of the world's aggregated gross national product, could make a significant contribution to the revitalization of the world economy, including the economies of developing countries. He appealed to Member States to show understanding at a time when his country was undertaking its major structural reform programme.

The meeting rose at 1.10 p.m.